RESTORING DEMOCRACY TO THE UNITED STATES CONGRESS ACT OF 2004

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 2004

Mrs. MALONEY. Mr. Speaker, the United States Congress should be a role model for democracies around the world. Instead, with votes that are extended up to three hours to change their outcome to allegations of bribery on the House Floor to the alleged stealing of computer files by a staffer, we are increasingly becoming a model of how not to run a democracy. That is why we am introducing the Restoring Democracy to the United States. This legislation sets forth ten changes that would ensure that the U.S. Congress will continue to be a beacon of democracy.

1. This legislation would limit the time of roll call votes to 17 minutes.

2. It would require conference committees to meet and vote before filing their conference report.

3. It would prohibit germaneness requirements for conference reports from being waived.

4. It would prohibit Members from calling the Capitol Police to have a Member removed from a room.

5. It would prohibit redistricting between censuses.

6. It would prohibit a vote on legislation unless it has been available in a searchable form online for more than 24 hours.

7. It would prohibit bribery on the House Floor.

8. It would prohibit the hacking into Member's computer files.

9. It would prohibit Committees from spending more than $25,000 a year on franked mail.

10. It would guarantee the Minority a minimum of one-third of the overall committee budget.

These ten measure would go a long way to ensure that democracy is upheld in the United States Congress. Unless we enact these safeguards, Members working together in a bipartisan manner will continue to see their work thwarted despite having a majority of Members in favor of their proposals. How many more abuses must there be before we say enough is enough? I urge all Member to support the Restoring Democracy to the U.S. Congress Act of 2004.

REMARKS BY JOHN BROWNE, GROUP CHIEF EXECUTIVE, BEYOND PETROLEUM (BP)

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 2004

Mr. HALL. Mr. Speaker, I would like to submit the following speech that was delivered by Mr. John Browne, Group Chief Executive of Beyond Petroleum (BP) to the Washington Press Club on March 23, 2004 entitled, ''Energy—the Medium Term Outlook.''

The level of interest in energy issues and energy security has grown steadily over the last three years. A whole series of events have reminded people both of the importance of secure energy supplies in a modern economy and of the challenges involved in matching available supplies to growing global demand.

Concerns have been expressed—here in the U.S., in Europe and in many other parts of the world. BP is the largest producer of oil and gas here in the U.S., and the second largest private company in our sector in the world. We work in over 100 countries—exploring for, producing, distributing and selling oil and gas in areas ranging from Russia to Angola from Germany to China. So we hear the concerns expressed from many sides.

I want to try and separate the concerns which are real, and which need to be managed—from those which are false, and which need to be discarded before they distract us from the serious agenda. I want in particular to emphasize the point that ''self sufficiency'' can't be achieved through protectionism. Trade is essential and we have to ensure that trade can thrive. I'll talk about the U.S. position—and I'll try and set that position in its proper context—which is the global energy scene. And I'll focus on facts—because facts should be the basis of good policy.

At one level this is a very simple issue. It is about demand and supply. The demand for energy is driven by demography and economic performance. By the number of people who can afford to buy the energy they need. Today the world's population is estimated at 6.3 bn. That figure grows by almost 10,000 an hour. In ten years time there will be almost another 1 billion people on earth. 7.2 bn by 2015 according to the most authoritative estimates from the U.N. More and more of those people will be able to afford to buy the energy they need. Economic growth continues to extend prosperity to more people every year in China and India and in other emerging economies. The Chinese economy has quadrupled in size over the last twenty years and China is now the 2nd largest single consumer of energy in the world after the U.S.

Today the world will use some 190 million barrels of oil equivalent—that is expressing all the different forms of energy supply—natural gas, coal, nuclear and so on in terms of a common unit of measurement. That energy is used in homes, in industry, in offices, in power stations and in transportation. Technology is gradually making the use of that energy more efficient. The energy intensity of each extra point of GDP growth has fallen over the last thirty years and continues to fall. But the fall is gradual.

The combination of more people and more prosperity will mean that the demand for energy will rise. The most recent estimates of the International Energy Agency suggest that world energy demand will rise by a third to around 240 mbdoe by 2015.

How can that demand be met?

Some place their faith in renewable and alternative forms of energy supply. Power from the wind and the waves. Power from solar panels. We believe those are important sources of future supply. We in BP are investing in research and development work in photovoltaics—the technology which supports solar power—and at various other forms of alternative energy supply. One day one or more of those new sources will provide a significant proportion of global energy demand. But the evidence is that day is still a long time off.

Today all the renewable and alternative forms of energy supply provide just 2.5 per cent of world demand, the bulk of which currently comes from biomass. Solar power provides just 0.001 per cent. Or to put it another way—all the solar power in the world would meet Washington's energy needs for just 6 days per year. Research continues—here in the US and in many other countries. But in every case we are still at the stage of research and experimentation. We believe renewables will provide material supplies of energy in the long term. But the long term could be 20 or 30 or more years away. The estimate from the International Energy Agency is that in 2015 they will provide only 3.3 per cent of total demand.

What sources then will meet the demand?

Some people believe that the key lies in the potential of nuclear power. That is certainly possible. But it seems a remote possibility on the timescale of a decade. Nuclear currently supplies 7 per cent of world energy demand. The first generation of nuclear stations are reaching the end of their natural lives. Last year only 2 new nuclear stations were commissioned and public doubts both about safety and about the uncertain long term costs continue to constrain new investment. In the US, no new stations have been commissioned for over two decades while in Europe the forecasts suggest that on current trends nuclear capacity in Europe will decline rather than increase over the next ten years.

And that leaves hydrocarbons—coal, oil and gas—to meet the balance. The mix will vary from one country to another. China for instance will no doubt continue to use large volumes of coal but in terms of convenience, oil and gas seem set to remain the fuels of choice. In reality, energy security is about the supply of oil and gas to meet demand which could grow, again taking the IEA figures, to around 93 mbd of oil and 64 mbdoe of natural gas by 2015. That would represent a 20 per cent increase in oil demand from today's level and a 45 per cent increase in the consumption of gas.

Can the oil and gas industry meet that demand?

In physical terms the answer is clearly yes. The resources are there. The world holds some 1,000 bn bbl of oil which has been found but not yet produced, and some 5500 tcf of natural gas—also found but not yet produced. At current consumption rates that is 40 years of oil supply and 60 years of gas. In addition the US Geological Service estimates that some 800 bn bbl of oil and 4500 tcf of natural gas are yet to be found. So in terms of physical resources, energy security is within reach.

But I believe there are two fundamental elements of risk which we have to deal with to ensure that security. The first is environmental—the risk that as the evidence of impact of human activity on the world's climate mounts we will be forced to take dramatic and potentially damaging action to avert the danger. That is a risk for the medium and longer term—not for today but we believe that precautionary action now could avert the risk. We believe that it is possible to keep atmospheric concentrations of greenhouse gases below the level at which sustainability is threatened—which on the currently best available scientific evidence is around 500 to 550 parts per million. There are various available paths by which that can be achieved—and there will be no single solution. Different countries can make different contributions to the overall objective and if we can establish a legitimate trusted emissions trading system—linked regionally—I believe we can reduce the risk without imposing a major cost on the economy. The real risk in this area is if we do nothing until it is almost too late. At that point the costs could be much higher.

The other element of risk arises from the fact that supply and demand are not typically co-located. One of the key issues of energy security over the next decade will be the growing trade in both oil and gas which will be necessary to match supply to demand. By 2015 there will be at least four

major energy importing regions in the world. Europe, Japan, China and the United States. Europe will be importing around an estimated 80 per cent of its daily needs of both oil and gas. The US rather less—but still more than 65 percent of its oil and around 30 per cent of its gas. By 2015 trade will likely account for almost 70 per cent of world oil demand—some 64 mb/d—and 20 per cent of world gas demand.

Is that trade secure? Can the US and others rely on trade rather than retreating to a policy of self sufficiency with all the costs which that could involve in terms of the environment and competitiveness?

I think the answer to that is also yes, but we can't take anything for granted. Genuine energy security needs sustained, long term engagement and action by both the industry and by Government. The issue of security arises not so much from the growing volume of consumption or the required trade growth but because the resources needed to supply the world's growing demand are concentrated in a relatively limited number of countries.

There are a number of sources of supply to the world market. Let me mention just three. The Caspian, through the Baku to Ceyhan pipeline which is now under construction, is scheduled to be producing and exporting 300,000 barrels per day by the end of 2005. Trinidad is now exporting some 200,000 barrels oil equivalent per day in the form of natural gas and the expansion plans which are now being carried through should double that figure by 2006. Indonesia is likely to be producing 1.5 million barrels per day oil equivalent and exporting 800,000 bdoe of that by the end of this decade. But however important these activities and those in other countries are, the inescapable fact is that even with all those areas developed successfully, the bulk of world traded supplies of both oil and gas for the future will almost certainly come from just three regions. The Middle East, Russia and Africa.

Going back to the estimates published by the IEA—which represent a fair consensus of informed opinion—of the 64 mbd of oil likely to be traded in 2015, well over 80 per cent will come from those three areas. For natural gas the figure is around 50 per cent.

That is the global picture. What about the US?

US energy demand is now 46 mbdoe of which two thirds is provided by oil and natural gas. The forecasts suggest that oil and gas demand will continue to grow so that by 2015 the US will be using around 21 mbd of oil, mainly in transportation and around 13 mbdoe of natural gas. In terms of resources the US remains strong. The US has more domestic supplies than any of the other major importing regions.

Alaska continues to produce just short of 1 million barrels per day and though oil production is declining, technology is progressively expanding the commercial life of Prudhoe Bay. The real strength for the future though lies in the Gulf of Mexico—in the deep water, which is producing 1.5 million barrels per day and which looks set to produce as much as 2.7 mb per day from 2010 onwards.

The gas position is also strong. As well as gas in the lower 48, and in the deep water of the Gulf of Mexico, there are extensive supplies—perhaps as much as 100tcf in Alaska which are ready to be brought to market once the infrastructure is in place. That's a strong position—but the US will still need imports and will still look to the world market to supply the balance of its needs through the next two decades. The forecasts suggest that the US will be importing some 13 mbd of oil and 3 mbdoe/day of natural gas in 2015.

What conclusions can we draw from all that? What do we need to do today to ensure that this country and its trading partners in Europe and Asia and elsewhere enjoy sustainable energy security?

The first conclusion is that these are single global markets. Oil, and increasingly gas are traded internationally. Every area will seek to develop its own resources rationally, but there is a competitive limit to that—set by the cost of development. The cost of self sufficiency for any area would be prohibitive. Trade and open markets have the sustained development of world economy over the last half century and I believe they can and will continue to do so. That applies to energy as much as to any other product. Energy prices will be set by the international market, and prices will affect the economy and the export markets of every country in the world. Energy security can't be achieved in one country. To deny the reality of the global economy would be dangerous and costly.

Secondly, the growth in trade worldwide means that everyone has an interest in the development of the widest possible range of available supplies to limit dependence on any single country. It would be dangerous, economically and strategically, to allow a situation to develop in which the US or any other region was dependent totally or very substantially on countries in the Middle East or any other single producer. At the moment the US imports some 11 mbd of oil. But those imports come from 57 different countries and no one country supplies more than 17 per cent. That is a good position to maintain. And to do so the US has to maintain the open flow of investment—to ensure that the international industry can invest with confidence in exploration and development across a diverse set of countries.

The best estimate of the total investment required to generate the flow of supplies necessary to match demand in 2015 is $2,000 bn. That means that investment by the oil and gas industry will have to be even higher than the $160 bn per annum which has been the average over the last few years. In financial terms I don't doubt that those resources can be found. But each individual investment by each company will be dependent on the climate for investment in the country concerned. That is why we are doing so much to support the principle of transparency—to ensure that the revenues we generate are used wisely in the interests of the long term development of the countries in which we invest. Corruption is an enemy of development, an enemy of business [because it raises costs], and an enemy of energy security.

The third conclusion is that we have to ensure that the necessary resources and infrastructure are built. That applies here to projects such as the Alaskan gas pipeline which could bring 1 million barrels per day oil equivalent to market, and to the development of LNG terminals which can open up channels of imported supply from Trinidad and West Africa. But the same point applies internationally—because infrastructure is necessary to bring resources to market from areas such as the Caspian and Siberia. In all these areas investment now will bring greater security for the future. I want to use this occasion to thank the US Government—under two administrations—for their sustained support for the development of the Baku Tbilisi Ceyhan pipeline. The line which will enhance energy security for the world as a whole could not have been built without that support.

Fourth, we have to continue to develop technology—pushing the edge of what can be done with the resources we have. Extracting more, and using them more efficiently. That ranges from the Deep water, where we and others are now producing from fields in over 7,000 ft of water—two and a half times deeper than was possible ten years ago; to the progressive extension of recovery rates in Alaska; to the sort of work we have underway with our partners in the automobile sector to combine advances in lubricants, in fuels and in engine technology to lift the level of productivity in vehicles.

All those steps are necessary, and many if not most of them will start here in the US—because this is a world technological leader.

So to summarise:

We can't take energy security for granted, and we can't achieve it through protectionism. Demand is rising and the substitutes for oil and gas are a long way off. There is no physical shortage. Technological advances must be deployed both to increase the amount of energy which can be produced and to ensure that it is used with the maximum possible efficiency. Finally, and most importantly, the risks to energy security are political and cannot be resolved by the private sector alone. The private sector has a vital role to play—particularly international companies such as BP. We have to explore and invest in the development of diverse sources of supply and in the infrastructure to bring it to market. But as companies we work within a space defined by public policy decisions. Actions by Governments are crucial in keeping the market open to investment, and ensuring that trade continues to be free and open. Those actions will determine whether those of us in the private sector can make successful long term investments in the development of resources and infrastructure. Diversity of supply is crucial. If we want to avoid undue dependence on just one region such as the Middle East, we have to invest in technology and in trade—raising investment confidence to ensure that supplies and infrastructure are in place to bring oil and gas from areas such as Russia, West Africa and the Caspian. The challenge is to align the medium and long term perspective I have been describing with the inevitably shorter perspective of Government. That has always been the case but the need to achieve that alignment between the actions of the public and the private sector has never been more important than it is today. If we can achieve that alignment I believe we can ensure that secure supplies of energy continue to be available to consumers here in the US and internationally.

PERSONAL EXPLANATION

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 2004

Mr. COLLINS. Mr. Speaker, I was not present for debate on rollcall vote 400, order of the previous question; rollcall vote 401, rule providing for consideration of Military Construction Appropriations (H. Res. 732); rollcall vote 402, recognizing the 35th anniversary of the *Apollo 11* lunar landing (H. Res. 723); rollcall vote 403, to name the Department of Veterans Affairs outpatient clinic located in Peoria, Illinois (H.R. 4608); rollcall vote 404, conference report for Coast Guard Reauthorization (H.R. 2443); rollcall vote 405, Tax Simplification for America's Job Creation Act (H.R. 4840); and rollcall vote 406, Military Housing Improvement Act (H.R. 4879).

Had I been present, I would have voted "yea" for rollcall votes 400, 401, 402, 403, 404, 405, and 406.